

Retirement News Update

Board of Trustees Certifies Retired Member Election Results

Sam R. Jones was elected by the COA ERS Retired Members to serve on the Board of Trustees for Retired Member Place 10. His four-year term runs from January 2009 through December 2012. The Nominating and Election Committee met on December 3, 2008 to tabulate the ballots for this election. The Board of Trustees certified the results during their December 19, 2008 Board meeting. Sam R. Jones received 508 votes; Peter Rieck received 470 votes; George Greene received 214 votes; Jessie A. Mercer received 121 votes. One write-in candidate received one vote. The response rate was 39.38%.

The Nominating and Election Committee is commended for their dedication to this important process.

Congratulations to Mr. Jones!

Board Member Appointments

Elizabeth S. Gonzales was reappointed by the Austin City Council to serve on the Board of Trustees for Council Appointed Citizen Place 3. Her new term runs through December 2012. Art Alfaro was appointed to serve on the Board of Trustees for the City Manager Designee Member Place 2 and Mayor Will Wynn was appointed by the Austin City Council to serve on the Board of Trustees for the City Council Member Place 1.

Congratulations to Ms. Gonzales, Mr. Alfaro, and Mayor Wynn!

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Cost of Living Adjustment Consideration

For many years, the Retirement System provided regular cost-of-living adjustments. In reality, however, cost-of-living adjustments have always been "ad hoc", which means they are not guaranteed or automatic. Contributions to the retirement system are structured to finance and pay your lifetime benefit, but are not structured to pay for future adjustments to your annuity.

By law, the Board can only authorize an increase if the actuary to the System certifies in writing that the increase would be sustainable. Currently, the actuary is unable to provide that certification; accordingly, the Board cannot authorize an adjustment.

The City is currently contributing more to the Retirement System under a special agreement to strengthen the system. Even with the contribution subsidy, however, it is doubtful that adjustments can be granted for the foreseeable future.

If you are still employed and contemplating retirement, you should keep this in mind when making your retirement decision. It is important to consider all sources of retirement income, including Social Security and personal savings, such as the City of Austin Deferred Compensation Program.

We recognize that loss of purchasing power is a significant issue for many retirees and this is of concern to the Board of Trustees. The first obligation, however, is to comply with plan provisions and administer a retirement system that can pay the lifetime benefits that are promised under the plan.

Financial Markets & Your Retirement Benefits

News about the struggling economy and the difficulties in the financial markets can be alarming, so it is important to know that your COA ERS retirement benefit is secure.

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Active Member News & Notes

Annual Member Statements

Each year, COA ERS mails Annual Member Statements to all Members with funds on deposit with the System. These statements include information regarding your retirement membership date, contributions you made during 2008, interest credited as of 12/31/2008, and both taxable and non-taxable Creditable Service purchases you made during 2008. For Active-Contributing Members, the 12/31/2008 balance on your annual statement will not match the retirement contribution balance on your City of Austin pay stub. The City does not include any interest, Creditable Service purchases, or prior refunds when calculating lifetime-to-date retirement contributions. Please review your statement carefully and contact COA ERS in writing if you have any questions or concerns about your statement. The statement is provided for information purposes only and allows you to verify our records. It is not a guarantee of benefits.

2008 Interest Posting

At the November 25, 2008 Board Meeting, the COA ERS Board of Trustees set the interest rate paid on Member deposits at 4.00%. Interest will be credited as of December 31, 2008 on deposits in Members' accounts as of January 1, 2009. Annual Member statements will be mailed to all Members with funds on deposit with the System as of January 2009 after interest has been posted.

COA ERS Pre-Retirement Seminars

If you are thinking about retiring from the City of Austin within the next two years, you may want to attend a Pre-Retirement Seminar. Representatives from COA ERS, Social Security Benefits, the City of Austin Benefits Department (Retiree Healthcare), and Deferred Compensation present valuable information for planning your retirement. The seminar is generally offered the third Thursday at 1:30 p.m. at the Retirement Office, 418 E. Highland Mall Blvd.

If you have any questions concerning the seminar or want to sign up for an upcoming seminar, please call the Retirement Office at 512-458-2551.

Schedule an Appointment with your Member Services Specialist



Do you want to request a service purchase estimate? Would you like to know when you will be eligible to retire and request an estimate of how much your retirement may be? COA ERS Member Services Specialists are available to answer your questions by phone, email, or

in person Monday through Friday, 8:00 a.m. to 5:00 p.m. If you would like to speak with a Specialist in person, please call our office at 512-458-2551 to make an appointment with the Specialist assigned to your specific department. This will ensure you have adequate time to discuss any questions you may have regarding your retirement benefits. Staff will continue to serve walk-in Members as scheduling allows.

Q: Can I borrow from my COA ERS retirement funds?

A: Plan provisions do not allow Members to make a partial withdrawal of contributions or to receive loans from their retirement funds. In addition, Members may not transfer or assign any of their retirement deposits or benefits to anyone except pursuant to an authorized tax levy, child support obligation, or approved Qualified Domestic Relations Order entered by a proper court of record.

With Deepest Sympathy

We extend our condolences to the family and friends of those Members of COA ERS who were Active City of Austin employees who have passed away*:

Richard Butler

Date of Death 09/08/2008

Austin Energy

David B. Filozof

Date of Death 09/11/2008

Parks & Recreation

Mary A. Gamboa

Date of Death 11/12/2008

Convention Center

Heidi L. Weiss

Date of Death 09/16/2008

Austin Energy

** Please note, this list only includes those deaths of which COA ERS has been notified.*

Retired Member News & Notes

Annual Affidavits Replaced with Improved Process

Effective this year, COA ERS will discontinue the annual affidavit process. We are pleased to announce that the Board passed a revised policy in November 2008 to replace the *annual* affidavit process with an improved *quarterly* process.

For many years, COA ERS performed the annual affidavit process to confirm that Retirees and Beneficiaries were alive and remained eligible to receive a monthly annuity payment. Effective 2009, COA ERS will match annuitant social security numbers to the Social Security Administration's death records on a *quarterly* basis. This enables COA ERS to obtain more timely information using a process shown to be highly accurate and reliable.

To confirm the accuracy of a reported death, COA ERS will independently verify the information prior to taking any action to discontinue an annuity payment.

Rest assured that COA ERS remains committed to protect the System and prevent fraudulent payments to people not eligible to receive an annuity.

2009 Retiree Pay Dates

January 30th
February 27th
March 31st
April 30th
May 29th
June 30th
July 31st
August 31st
September 30th
October 30th
November 30th
December 31st

Monthly Annuity payments are made on the last business day of each month.

With Deepest Sympathy

We extend our condolences to the family and friends of those Retirees of COA ERS who have passed away*:

Arthur R. Aguirre
Date of Death 12/05/2008
Retired From Austin Energy

Alma R. Mobley
Date of Death 10/11/2008
Retired From Austin Energy

Alma D. Brown
Date of Death 08/05/2008
Retired From Brackenridge Hospital

Fidel C. Perez
Date of Death 09/13/2008
Retired From Watershed Protection & Development Review

Adolph Brush
Date of Death 09/02/2008
Retired From Transportation, Planning & Sustainability

Hobert Robinson, Jr.
Date of Death 10/10/2008
Retired From Austin Utility

Frank S. Delyv
Date of Death 08/31/2008
Retired From Austin Water Utility

Mary J. Rollman
Date of Death 08/04/2008
Retired From Austin Energy

Eldon Hamby
Date of Death 11/27/2008
Retired From Solid Waste Services

Dorothy B. Rothchild
Date of Death 09/03/2008
Retired From Parks & Recreation

Regina Hine
Date of Death 07/24/2008
Retired From Brackenridge Hospital

Victor Ruiz III
Date of Death 11/18/2008
Retired From Library

Eileen Hyltin
Date of Death 09/24/2008
Retired From Financial Services

Lorenzo Sweeney
Date of Death 11/27/2008
Retired From Law

Mary S. Kunze
Date of Death 12/09/2008
Retired From Brackenridge Hospital

Alma M. Zeissel
Date of Death 11/22/2008
Retired From Brackenridge Hospital

* Please note, this list only includes those deaths of which COA ERS has been notified.

Monthly Deposit Statements

COA ERS discontinued providing monthly deposit statements to Retirees and Annuitants in 2006. This change was implemented as a cost-saving measure and is similar to the procedures of many other retirement systems and Social Security. Statements are now sent to all Retirees and Annuitants in January of each year. Additional statements will be sent to individual Retirees and Annuitants any time a change is made to the individual's benefit or withholdings as well as a change of address, name or direct deposit information. As always, you can call your bank to verify that deposits have been made. Pay dates are posted in quarterly newsletters as well as on the COA ERS website.

Upcoming Events

January

- 15th - Pre-Retirement Seminar
- 19th - Retirement Office closed in observance of Martin Luther King, Jr.'s Birthday
- 27th - COA ERS Board Meeting
- 30th - Retiree Pay Day

February

- 16th - Retirement Office closed in observance of President's Day
- 19th - Pre-Retirement Seminar
- 27th - Retiree Pay Day

March

- 19th - Pre-Retirement Seminar
- 24th - COA ERS Board Meeting
- 31st - Retiree Pay Day

Website Suggestions

If you have any suggestions regarding information you would like to see on the COA ERS website or in our newsletter, please email them to rosaree.koepsel@coaers.org for consideration.

COA ERS Board of Trustees

Mark Monteith,
Board Chair

Elizabeth S. Gonzales,
Board Vice Chair

Art Alfaro

Janet Bartles

Eyna Canales-Zarate

Reagan David

Francine Gertz

Ed Golden

Sam R. Jones

Anthony B. Ross, Sr.

Mayor Will Wynn

Application to IRS for Determination Letter

Notice is hereby made that the City of Austin Employees' Retirement System will be filing an application with the Internal Revenue Service for a new determination letter. The most recent determination letter was issued March 17, 2003. Obtaining a new determination letter will confirm that plan provisions are compliant with requirements of the Internal Revenue Service for a tax-qualified retirement plan.

Please keep your address up to date!!

ACTIVE MEMBERS - Please contact City of Austin Payroll Dept. at (512) 974-3001 to change your address.

RETIRED & VESTED MEMBERS - Please submit a change of address in writing to the Retirement Office. Forms are available at www.coaers.org or by calling (512) 458-2551.

For your security, we will only mail financial information to the address that we have on record.

Important Information Regarding Retired Member Health Benefits

If you have any questions concerning your medical, dental, and/or vision benefits, including changes of address, claims information, and premiums, you should contact the City of Austin Benefits office at (512) 974-3284. You may also obtain information from the City of Austin benefits website at www.cityofaustin.org/benefits/enrollment.

¿Habla Usted español?

Representantes están disponibles para contestar sus preguntas en español por teléfono o aquí en la oficina de COAERS. Además, contamos con algunas formas en español y podemos dar presentaciones sobre el sistema y la jubilación para los miembros interesados. Favor de hablar al 512-458-2551 o vea nuestro sitio de Internet: www.coaers.org.

Spanish Translated Forms Available

RETIREMENT: COLA & Financial Market

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The Retirement System was designed to protect your benefit regardless of swings in the financial markets. Active Member account balances retain their full value and Retired Member annuity payments do not decline. COA ERS Members have a lot to be thankful for during these turbulent financial times:

- Your COA ERS retirement benefit formula is among the best in the country.
- Our retirement plan provides lifetime benefits. This is distinctly different from those retirees who depend upon a "401k" type retirement plan. With our type of retirement plan, you cannot outlive your benefit.
- Your account is secure. COA ERS is a defined benefit retirement system, which means your pension benefits are paid out to you, regardless of market events. In addition, retirement benefits paid to COA ERS retirees are protected by the Texas Constitution and cannot be reduced.
- COA ERS is a long-term investor with a time horizon that lasts over decades. This is not the first period of severe market volatility that we have experienced and it will not be the last. Our investment portfolio is well-diversified, professionally managed, and focused on long-term results.

The Retirement Office offers free notary services to our Members for COA ERS business only. System notaries will not notarize non-COA ERS documents.

City of Austin Employees' Retirement System

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www.coaers.org